

COUNCIL ON FOREIGN RELATIONS

ANNUAL REPORT
OF THE
EXECUTIVE DIRECTOR

1951-1952

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WITH
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THE HAROLD PRATT HOUSE
FIFTY-EIGHT EAST SIXTY-EIGHTH STREET
New York

1952

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1952 - 1953

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I bequeath to the Council on Foreign Relations, Inc., a New York non-profit corporation, the sum of _____

- a. for its general purposes (or)
- b. to become part of a general endowment fund.

*Requests to the Council on Foreign Relations are deductible for tax purposes.

REPORT OF THE ACTING EXECUTIVE DIRECTOR

1951-1952

TWENTY-FIVE YEARS AGO, when Walter H. Mallory joined the Council on Foreign Relations as its Executive Director, the organization was already earning an enviable reputation in its own field, and, under the leadership of Hamilton Fish Armstrong, had started many of the activities which were to be of importance in its subsequent development. Its first book had just been published; *FOREIGN AFFAIRS*, which had been founded only five years earlier, was well on its way to a position of unchallenged eminence in its field; small groups of members had begun meeting to study topics of special interest; and the practice of inviting distinguished American and foreign statesmen to discuss important problems at off-the-record dinners for members was already a Council tradition.

But, although an excellent start had been made, the Council was still a very different organization from what it is today. In 1927 there was no research staff, and, in fact, no research; there was no library; there were no affiliated Committees on Foreign Relations throughout the country; there were no newspaper fellows; and there was no real Council headquarters, only a few rooms in a midtown office building.

Then as now, however, the Council was fortunate in having an unusually able and helpful group of members and a Board of Directors which took a deep and active interest in its work. In Mr. Armstrong and Mr. Mallory it found an unusual team which under-

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in the Middle East, United States-Soviet Relations, Financial Aspects of American Foreign Policy, U. S. Interests in the Mediterranean, and Problems of Western European Labor.

The study groups were all well serviced. Two of these groups, the groups on Political Implications of Economic Development and on Problems of Strengthening Democratic Leadership Abroad, had full time staff members attached to them, while the other two, on Anglo-American Relations and on German Unity, were each serviced by a research secretary devoting a considerable part of his time to this purpose. The only discussion group provided with a research secretary was the group on American Policy in the Middle East, and the papers written for this group proved so successful in furnishing a background for its discussions and in pointing up the issues involved, that we hope to be able to extend this practice to other discussion groups in coming years.

In our opinion, the most important development in the Council's research program during the past year was the Carnegie Corporation's decision to make it possible for the Council to offer three research fellowships each year for the next three years. These fellows, all of them young men of special promise, have now been selected. They will undertake projects of particular interest to themselves, but each will have a Council group to help him and will in turn greatly aid the work of the group.

The Council held eighteen full membership afternoon meetings during the year and sixteen dinner

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stood the opportunities before the growing organization and knew how to take advantage of them. The Council's accomplishments during the past twenty-five years have been largely due to their collaboration.

This coming year Mr. Mallory has been granted a leave of absence to return to the Far East and work again in the area he knew so well before leaving it to join the Council twenty-five years ago. His judgment, his fairness, and his never failing encouragement of those who worked under him will be very much missed while he is away.

As will be seen from this report, the Council in 1951-52 had a particularly good year intellectually, but a poor one financially, the combined deficit in the general and research accounts amounting to \$30,243.

During the course of the year four study groups and five discussion groups have been in active operation. With a group, chaired by Mr. Stacy May and under the direction of Dr. Eugene Staley, the Council commenced an important new study of the Political Implications of Economic Development. Other study groups considered the Problems of Strengthening Democratic Leadership Abroad, German Unity, and Anglo-American Relations. This last group, under the leadership of Dr. Henry M. Wriston, has been working toward a joint meeting at Arden House the first week in September with a sister group from the Royal Institute of International Affairs, and it is our hope that at that time both groups may achieve agreement on a joint report on Anglo-American relations. Discussion groups have considered American Policy

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meetings. The foreign speakers included Mr. Anthony Eden, General Jean de Lattre de Tassigny, Premier William Drees, Professor Walter Hallstein, Mr. Dirk U. Stikker, and Dr. Jaime Torres Bodet. Among the Americans were Governor Dewey, Mr. David K. E. Bruce, Mr. John Foster Dulles, and Mr. Charles E. Bohlen.

This year's Council publications included our annual works, *The Political Handbook of the World* and *The United States in World Affairs*, as well as two new books of special significance. These new books are *The Challenge to Isolation*, the first volume of a two volume history of U. S. foreign policy from the outbreak of World War II to Pearl Harbor, by Professors William L. Langer and S. Everett Gleason, and *Trade and Payments in Western Europe*, the first of a two volume analysis of European economic cooperation since the war, by William Diebold, Jr. Both the Langer and Diebold books have received very favorable reviews.

The Committees on Foreign Relations, which are now established in 25 cities throughout the country, enjoyed an unusually successful season, having organized 191 meetings, a greater number than ever before. Also 790 Committee members, a greater number than ever, answered the Council's detailed questionnaire on "Foreign Aid and the National Interest."

Finally, during the past year, *FOREIGN AFFAIRS* continued to maintain its usual standard. Its position is perhaps attested to by the fact that one of the Presidential candidates is a member of its Editorial Advi-

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sory Board, while the other, Governor Stevenson, outlined his views on our foreign policy in an article entitled "Korea in Perspective" in the April issue. Among other important articles this year were the following: "United to Enforce Peace," by Paul H. Douglas; "The American Tradition in Foreign Relations," by Frank Tannenbaum; "Security in the Pacific," by John Foster Dulles; and "India: Do's and Don'ts for Americans," by M. R. Masani.

This coming year the influence of FOREIGN AFFAIRS will be considerably broadened by a project undertaken with the aid of a grant from the Fund for Adult Education. Nine times a year an article from FOREIGN AFFAIRS will be reprinted in its entirety and distributed, together with a discussion guide, to the members of approximately 1000 adult discussion groups throughout the country to serve as background for meetings on the topics covered in the articles.

COMMITTEE ON POLICY

One of the primary reasons for the Council's success has been the willingness, in fact eagerness, of its Directors and staff continuously to re-examine its program and methods in the light of changing conditions. In line with this long term policy, the Board of Directors last December established a Committee on Policy to undertake a thorough review and reassessment of the Council's work. This committee consists of Messrs. Henry M. Wriston, Chairman, Hamilton Fish Armstrong, George A. Brownell, William T. R. Fox, John W. Gardner, Devereux C. Josephs, Walter H. Mal-

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American universities and colleges, stipulating that the fellows should have already demonstrated capacity for productive research in American foreign policy and related subjects. A sub-committee of the Council's Committee on Studies, consisting of Messrs. Grayson L. Kirk, Walter H. Mallory and the Director of Studies, made the following awards:

To Dr. Gale W. McGee, Professor of History, University of Wyoming, for a study of *Essential Requirements for a Settlement between the U.S.S.R. and the United States*.

To Dr. Henry L. Roberts, Assistant Professor of History, Columbia University, for a study of *The Contest for Central and Eastern Europe, 1943-1945*.

To Dr. Robert S. Schwantes, Chairman of the Board of Tutors in History and Literature, Harvard University, for a study of *Japanese-American Cultural Relations*.

Dr. McGee will spend a year at the Council, beginning in September 1952. The term of Dr. Roberts' fellowship is for fifteen months, beginning in July 1952. Dr. Schwantes' fellowship will run for two years, beginning on June 15, 1952.

These appointments will make possible a significant expansion in the Council's research and publication program. Each fellow during his term of appointment, in addition to his own research project, will be expected to participate in other Council activities, particularly in study and discussion groups dealing with related subjects. Their association with members of the Council's permanent research staff should prove

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lory, Stacy May, David Rockefeller, and George S. Franklin, Jr., Secretary. It has already held seven meetings on the following aspects of the Council's work: Purposes, Research and Publication, Administrative Organization, Membership, Committees on Foreign Relations, the Library, and Financial Affairs. The interest of the Committee members is attested by the fact that seven out of the ten members have attended every meeting.

Until its meetings have been concluded in the fall, it will not be possible to set forth the detailed findings and recommendations of the Committee, but it is clear, even at this stage that the Committee believes the Council is working effectively and in general along sound lines. It is equally clear, however, that the Committee will recommend certain changes to increase the effectiveness of what we are doing and that some of these changes will require a moderate expansion of the Council's program, which will, in turn, require expansion in its sources of support.

GEORGE S. FRANKLIN, JR.

REPORT OF DIRECTOR OF STUDIES

Appointment of Carnegie Research Fellows

A promising new development in the Council's research activities is the establishment of three new research fellowships made possible by a grant from the Carnegie Corporation of \$75,000 for a three year period. The terms of the grant give the Council wide latitude in determining the tenure of the fellows and the basis for their selection.

We invited applications from men now teaching in

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mutually stimulating, with resultant improvement in all phases of our work.

STUDY GROUPS

These groups are made up of particularly competent men who devote continued attention to some problem of foreign policy in a series of meetings. The primary objective of the groups is not self-education of the members but the close examination of certain aspects of foreign policy, usually for the purpose of producing a report of sufficient merit to be published by the Council.

The work of study groups is a major part of the Council's research activity. Most Council books stem from this work. Each group has a membership ranging from 10 to 20 and is usually built around a man writing. The output can take various forms. A paid research secretary may prepare working papers. Later, if the group's discussions prove fruitful, he or someone else may prepare a manuscript for publication. Alternatively, the group may function largely as an advisory board for a writer who consults with the members in planning his book and turns to them as a group, or individually, for criticism, especially with respect to his conclusions or recommendations. Sometimes members of the Council's research staff may submit papers, or members of the group may write memoranda. As a rule, however, the product is a book written by a single author. He takes into account the group's discussion and criticism but without attempting to present a consensus. Sometimes several authors contribute to a book, or write articles for FOREIGN AFFAIRS. Only in very exceptional cases does any

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group, as a body, prepare a report for publication by the Council.

The chairman of a group is chosen because of his knowledge of and interest in the particular area or subject. He aids in the selection of the members of the group when it is being formed and helps to organize and guide the project. Attached to each group is a reporter who takes notes and prepares digests of its discussions. The following groups were in active operation in 1951-52:

1. Anglo-American Relations

Chairman: Henry M. Wriston
Secretary: Henry L. Roberts
Rapporteur: William Henderson

An investigation and interpretation of the major problems of Anglo-American relations was undertaken jointly by the Council and the Royal Institute of International Affairs in March 1951 with the assistance of the Rockefeller Foundation. Since that date the Council's study group has held fourteen meetings. At these meetings practically every area of agreement and disagreement in the foreign policies of the two countries has been explored. Each group has prepared memoranda analyzing and criticizing particular aspects of the foreign policy of the other. By the exchange of these papers, their re-examination and revision, the two groups are attempting to clear away misconceptions and false interpretations so as to arrive at an agreed statement of coincidence and divergence of views.

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What effects may we expect will accompany our technical assistance and capital investment programs in Southeast Asia, in Africa and in other underdeveloped areas? How can our economic aid be managed so as to promote the growth of free institutions and check Communism? How much of the American way of life should we attempt to export along with our know-how and capital equipment?

Questions such as these are at the heart of an inquiry which the Council organized with the assistance of the Rockefeller Foundation in September 1951. Dr. Eugene Staley of the Stanford Research Institute was engaged to direct the study. To advise and assist him a study group was organized with Stacy May as chairman.

4. Problems of Strengthening Democratic Leadership Abroad

Chairman: Harry H. Harper, Jr.
Study Director: Alan Hovey, Jr.
Rapporteur: Walter William White

During the fall and winter of 1951-52 the work of this group entered a new phase with a series of meetings with representatives of various non-official organizations having contacts abroad.

One meeting brought together members of American press organizations, J. Montgomery Curtis, American Press Institute; Roscoe Drummond, Economic Cooperation Administration; Andrew Heiskell, Inter-American Press Association; Hal Lehrman, author, foreign correspondent; Lester Markel, *The*

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The analysis of policies is conducted on three levels: First, what is the official policy in each country regarding, let us say, the Far East or the Middle East; second, to what extent has government policy the support of domestic public opinion; third, how do the members of the study group view the policy in question.

Supplementing the exchange of memoranda, members of each group (from the British group, Admiral Sir Henry Moore, the chairman, and Arnold Toynbee; from the Council, President Wriston, Henry Roberts, Edward M. Earle, Joseph Johnson and William T. R. Fox) have crossed the Atlantic to take part in the meetings of the other.

A conference of members of both groups lasting several days is scheduled in early September at Arden House. Its agenda will consist of the draft of a single report prepared by the British and American rapporteurs.

2. Political Implications of Economic Development

Chairman: Stacy May
Study Director: Eugene Staley
Research Assistant: Peter John Davies

The Point Four program has political as well as economic and humanitarian goals. It is too often assumed that economic progress will be accompanied automatically by the development of the spirit of democracy and free political institutions. Yet history shows, notably in the cases of 19th century Germany and Japan, that, in the short run at least, industrialization may lead to quite an opposite result.

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New York Times; and Ralph Novak, American Newspaper Guild.

At a meeting to consider American-sponsored agricultural programs the participants were Harold B. Allen, Near East Foundation; Andrew Cairns, International Federation of Agricultural Producers; Franklin Ho, Columbia University; Albert Mayer, Mayer & Whittlesey; Raymond W. Miller, Harvard Graduate School of Business; and Clayton E. Whipple, Department of State.

The topic considered at a third meeting of the group was the role of American business; discussion leaders were Courtney Brown, Standard Oil Company of New Jersey; William R. Herod, International General Electric Company; John E. Lockwood, Curtis, Mallet-Prevost, Colt & Mosle; H. W. McCobb, Standard-Vacuum Oil Company; and Medley G. B. Whelpley, business consultant.

At the final meeting the group considered the role of education in strengthening democratic leadership abroad. The guests were President Frederick Burkhardt, Bennington College; Russell L. Durgin, Japan International Christian University Foundation; Alonzo G. Grace, New York University; I. L. Kandel, National Committee for a Free Europe; and Levering Tyson, National Committee for a Free Europe.

Mr. Edmond L. Taylor resigned as director of the study in December 1951 in order to accept an appointment in the Office of Psychological Warfare in Washington. His work at the Council was continued by Mr. Allan Hovey, Jr.

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In its meetings the group has given particular attention to the "compulsion" or pressures for economic development which have arisen both in the under-developed countries and in the United States, and to possible conflicts between our aims and theirs. This subject was developed by members of the group in a series of case studies. Hugh Keenleyside, head of the UN technical assistance mission to Bolivia, told how foreigners, as a condition of assistance, had been placed in key positions in the civil service of that country. Robert Garner, vice president of the International Bank, reported on Turkey; Harvey S. Perloff of the University of Chicago, J. K. Galbraith of Harvard and Frank Notestein of Princeton discussed political aspects of economic development in Puerto Rico; and Gordon Clapp, chairman of TVA and former head of a UN mission to the Near East, gave an exposition of the situation in Syria.

Dr. Staley meanwhile has conducted a series of research studies, dealing intensively with these and related subjects, to be brought together in a book for publication by the Council. The book will contain (1) an analysis of the pressures for economic development and the aims of various interested parties; (2) case studies of the interrelation of economic and political factors in the industrial development of certain countries in the 19th century; (3) an analysis of Soviet theory and practice with respect to economic development; and (4) consideration of key problems which arise in the development of so-called backward areas, e.g., population growth, land tenure, controls applied to foreign investments.

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East Germany.

5. A reassessment of American policy on German unity.

Working papers contributed by Professor Schorske and members of the group provided background information for the discussions. Also, the presence in the group of a number of men who had served in Germany with the U. S. Military Government and in the Office of the American High Commissioner helped greatly in keeping the discussion well informed and down to earth.

DISCUSSION GROUPS

Discussion groups are organized not only to throw light on important issues of foreign policy, but in considerable part to inform the members who participate and to stimulate their interest in foreign affairs and in the work of the Council. The discussion groups are larger than study groups and not all of their members need be experts in the subject to be discussed. In selecting members for these groups the Council's staff relies to a considerable extent on replies to questionnaires which are periodically sent to all Council members. Meetings of discussion groups regularly open with a thirty-minute talk by an "outside" expert. This procedure is not so frequent in study group meetings. The following discussion groups were in operation this past winter:

1. *American Policy in the Middle East*

Chairman: George A. Brownell
Research Secretary: J. C. Hurewitz
Rapporteur: Lenoir C. Wright

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3. *Questions of German Unity*

Chairman: George N. Shuster
Research Secretary: Carl E. Schorske
Rapporteur: Frank Poe

The partition of Germany was one of the major consequences of the second World War and of the ensuing cold war between Russia and the West. No one likes the result. Americans, Russian and, above all, Germans profess themselves champions of re-unification, but each has his own view of how re-unification should be brought about and what kind of a Germany should emerge. For several years Americans and Russians, East Germans and West Germans have negotiated about unification without reaching agreement; meanwhile they have made it a major issue in the propaganda war.

To undertake a careful, objective study of questions of German unity, the Council's Committee on Studies organized a study group with President George N. Shuster of Hunter College as chairman and Professor Carl E. Schorske of Wesleyan University as research secretary. In a series of five meetings this group considered the following topics:

1. American and Russian policies on the partition of Germany.
2. Political and social pressures in Western Germany for, and against, re-unification.
3. Negotiations between the governments of East and West Germany.
4. Economic aspects of the separation of West from

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This group held five meetings on the following topics:

Developments in the Oil Industry of the Middle East

Discussion leader: Walter J. Levy

The Political Situation in Egypt

Discussion leader: G. Lewis Jones

The Conflict Between Israel and the Neighboring Arab States

Discussion leader: Harold B. Hoskins

American Policy with Respect to Turkey

Discussion leader: Lewis V. Thomas

The Future of American Economic Aid Programs in the Middle East

Discussion leader: Ambassador Edwin A. Locke, Jr.

Background information for these meetings was supplied in working papers prepared by Dr. J. C. Hurewitz, lecturer on Middle Eastern affairs in the School of International Affairs, Columbia University.

2. *Financial Aspects of American Foreign Policy*

Chairman: James M. Nicely

Since 1949 American grants and loans to foreign countries have amounted to \$20 billion. The appropriations for foreign military and economic aid for 1952 are over \$7 billion; proposed appropriations for 1953 are of the same order of magnitude. This outflow of public funds abroad, unparalleled in peace time, is designed to implement the goals of American foreign policy, viz., to increase national security and to promote peace and freedom. How necessary is this aid? Are the funds wisely apportioned as between military and economic aid; as among various countries and regions? What may we expect will be the future role of U. S. grants and loans in the cold war?

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These and similar questions occupied the attention of a group of which James M. Nicely was chairman. At the first meeting Dr. Per Jacobsson, economist of the Bank for International Settlements, led a discussion of the monetary and credit conditions in Western Europe, with particular attention to defense expenditures. Dr. Winfield W. Riefler, Assistant to the Chairman of the Board of Governors, Federal Reserve System, led the discussion at the second meeting, presenting a fairly optimistic view of the chances of carrying out the present arms program without higher taxes or further inflation, considering increased productive capacity, a high rate of savings, and a cautious purchasing policy on the part of the armed services. Members of the group, having observed the fall in corporate profits after taxes and expressing doubts about continued high savings, were inclined to be less optimistic than the speaker.

The group concluded its series with a meeting at which Richard M. Bissell, Jr., formerly Deputy Administrator of the ECA and now consultant to the Ford Foundation, discussed the future of foreign aid. In a brilliant address Mr. Bissell argued that the transfer of substantial quantities of American resources to our European allies, by means of both economic and military aid, was an economical way of increasing our security.

3. *American Interests and Policies in the Mediterranean*

Chairman: Charles E. Saltzman
Secretary: August Heckscher
Rapporteur: Wilbur Edel

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5. *U. S.-Soviet Relations*

Chairman: Geroid T. Robinson

At the beginning of its series of meetings, this group decided to focus on two questions: (1) How much time have we bought by our containment policy and by our increasing economic and military power, and (2) if we, in fact, do have some time, how can we best use it to strengthen non-communist states? The first three meetings were devoted to the first question and the last two to the second.

At the first meeting, William H. Baumcr, formerly U. S. Military Advisor at the Council of Foreign Ministers meetings in London and Paris estimated Soviet military strength and compared it with that of the United States.

At the second meeting, Mr. Abram Bergson, Professor of Economics at the Russian Institute of Columbia University, compared the economic capacities and potentialities of Russia and the United States.

The third meeting was devoted to an examination of the degree of political stability and cohesiveness within the Soviet Union by Professor Merle Fainsod of the Harvard Russian Research Center.

As a result of these meetings, the group concluded that the Soviet Union probably would not attack the Western Allies in the near future and decided at its two final meetings to examine how the United States could best aid the constructive forces within the non-communist camps in two or three countries in Western Europe and Southeast Asia. As examples, it decided to

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This group held six meetings on the following subjects:

The United States and the Mediterranean

Discussion leader: Arnold Wolfers

Political and Strategic Considerations Determining U. S. Policy in the Mediterranean

Discussion leader: George C. McGhee

Strategic Problems in the Mediterranean

Discussion leader: Major General C. P. Cabell

U. S. Policy and Interests in North Africa

Discussion leaders: Gabriel van Laethem and Rom Landau

U. S. Policy and Interests in Yugoslavia

Discussion leaders: Philip E. Mosely and Jan V. Mladek

U. S. Policy and Interests in Turkey

Discussion leader: Cuneyd Dosdogru

4. *Organized Labor in Western Europe*

Co-chairman: Michael Ross

Co-chairman: Boris Shishkin

Rapporteur: John Furey

Two leaders in the American labor movement, Michael Ross of the C. I. O. and Boris Shishkin of the A. F. of L., assisted the Council in the organization of this discussion group and served as its co-chairmen. Meetings were held as follows:

Problems of Western European Labor

Discussion leader: J. H. Oldenbroek

European Labor and the Mutual Defense Program

Discussion leader: Samuel Berger

The Labor Situation in France Since the War

Discussion leader: Richard Eldridge

The Labor Situation in Germany Since the War

Discussion leader: Ludwig Rosenberg

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consider France, Italy, and Indo-China. Professor Mario Einaudi, chairman of the Department of Government at Cornell, led the discussion on France and Italy at the fourth meeting, while Mr. Paul Mus, who spent many years in Indo-China as professor at the Ecole Française d'Extrême Orient and then as political advisor to General Leclerc, led it at the fifth.

Professor Geroid T. Robinson of Columbia University helped to shape the program of this group as well as being chairman of the meetings.

Ad Hoc Meetings

American Political and Military Policy in Europe

On April 29, twenty Council members met to consider a memorandum on "American Political and Military Policy in Europe." Grayson L. Kirk presided, and Hanson W. Baldwin led the discussion. The author of the memorandum, an American well acquainted with the present condition of the European defense effort, makes the following points:

1. Our present policy in Europe is—or was—based on the theory that we could make ourselves strong enough so that the Russians would be forced "to make the best peaceful bargain they could" with us.

2. The unexpected strengthening of Russia's atomic situation, plus the inability of Europe to revive her military strength as anticipated, make it unlikely that we can "develop preponderant force, which will defeat Russia without being employed." The difficulties of organizing an effective European army and of integrating Germany into Western defense were particularly noted.

3. "The Russian leadership does not desire open war . . . with a powerful United States, and . . . will seek to avoid . . . war so long as its regime does not otherwise appear doomed by a fruition of hostile preparation."

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4. The Russian leadership has a genuine fear of U. S. intentions. His conclusions from these observations were that:
The best way to avoid war is to abate Russia's fear by moderating our own military preparations, particularly those with an offensive rather than defensive connotation. "The NATO effort in Europe might be about halved" and the goals of our rearmament effort at home should be reduced by something like a quarter. We should not "go so far or so fast as to suggest that Russia might engage in open aggression with prospects of a victory which the Kremlin regime could survive to exploit." Also, we must make it clear to Russia that if she attacks any of our allies, she will be at war with us also.

Although evidently not satisfied with the way things were going in Europe, the majority of the group nevertheless rejected these measures as too drastic. Some held that American policy was too much dominated by military thinking, to the neglect of our diplomatic and economic resources. Others held that our present policy might lead to disaster because of the inadequacy of our armed forces and those of our allies for the task of containing Russia. The only area of agreement seemed to be on the need for critical examination of our present defense policies and the exploration of possible alternatives.

Climate and Economic Development in the Tropics

On May 27 the Council brought together a small group to explore the possibilities of a study of Climate and Economic Development in the Tropics. Included in the group were geographers, economists and specialists in public health and tropical diseases, as well as businessmen who had lived and worked in the tropics.

At the meeting Mr. Heman Greenwood, who until

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American Export Lines
American Metal Company
Carrier Corporation
Chase National Bank
Continental Can Company
Freeport Sulphur Company
General Electric Company
General Motors Overseas
I.B.M. World Trade Corporation
Irving Trust Company
J. P. Morgan & Company
The Macmillan Company
Marine Midland Trust Company
National City Bank
Pan American Airways
Price Waterhouse & Company
Standard Oil Company of New Jersey
Standard Vacuum Oil Company
Sullivan and Cromwell
Trans World Airlines
United States Steel Corporation

Six meetings were held on successive Wednesday afternoons with the following speakers:

Conflict of Russian and American Purposes and Policies—Philip E. Mosely

Economic Defense of Western Europe—William Diebold, Jr.

Point IV and U. S. Investment Abroad—Eugene Staley

Problems of American Policy in the Near and Middle East—Edwin M. Wright

Bases for a Settlement in the Far East—Amos Landman

Anglo-American Relations—Henry L. Roberts

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his recent retirement was vice president of the Carrier Corporation, first outlined the problem as he had observed it. During a residence of fifteen years in Brazil and extensive travels in the tropics he had become greatly interested in finding out why underdeveloped countries are underdeveloped. Is climate responsible, or are there other more convincing explanations? He stressed the need for more precise knowledge of the effect of excessive heat and humidity on human activities.

Dr. Douglas H. K. Lee of the Johns Hopkins University gave a summary account of the scattered knowledge accumulated by physiologists and psychologists on the effects of climate. His conclusion was that social scientists, industrialists and engineers had as much, perhaps more, to contribute than physiologists to the solution of the problem. The attack should be synoptic. This conclusion seemed to be shared by all present. It was also generally agreed that a study of this subject might usefully be undertaken in two stages: (1) an inventory of what is actually known about the effects of tropical climate on men, animals and plants, and (2) the integration of this knowledge with studies of political, cultural and economic obstacles to economic development.

SEMINAR FOR JUNIOR EXECUTIVES

In the spring of 1952 the Council reinstituted its Seminar for Junior Executives which, established in 1939, had been discontinued in 1941. The following business firms responded to the Council's invitation to nominate a participant:

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The seminar provides opportunity for young men of promise, who may in years to come hold positions of prime responsibility, to come together with members of the Council's research staff for informal discussion of questions of American foreign policy. The Council organizes the program and provides discussion leaders, each of whom is a recognized expert in his field. The Director of Studies acted as chairman.

PUBLICATIONS

TRADE AND PAYMENTS IN WESTERN EUROPE, 1947-1952, by William Diebold, Jr.

Dr. John H. Williams, in his foreword to this book, says: "I am confident that it will occupy a high place in the literature. I can think of few books in this field with which I would compare it, for the breadth as well as the intensiveness of the treatment, and for its objectivity and well-balanced judgment."

The author, economist on the Council's research staff, has provided both a descriptive account and a critical analysis of what Western European countries have accomplished since the beginning of the Marshall Plan in facilitating trade and payments among themselves. The account is based largely on public sources, supplemented by information gained in Council study groups, and by conversations in Europe with persons actually engaged in operating the mechanisms of economic cooperation. The book, however, is more than current, or nearly current history, for the author has interwoven analysis and interpretation with his narrative, showing why Britain, France, Germany and other countries took positions sometimes favoring and

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sometimes opposed to EPU, trade liberalization and other cooperative measures.

After an introductory chapter on the nature of cooperation and its role in the Marshall Plan, Part I deals with payments. Part II covers the OEEC program for removal of import quotas, the re-emergence of the tariff problem, proposals for the integration of the European market for specified commodities, cartels, and dual pricing. Benelux and other efforts to form customs unions are discussed in Part III. Concluding chapters, in Part IV, are concerned with (1) the relation between the cooperative measures and Western Europe's position in the world economy, and (2) the impact of rearmament programs on the liberalization of inter-European trade and payments. An extensive critical bibliography adds greatly to the usefulness of the book for research and teaching.

In his conclusions Mr. Diebold is conservative without being pessimistic. EPU, he finds, although initially dependent on dollar aid, may eventually become a clearing union that can stand on its own feet. That will depend on the member countries not letting their intra-European accounts get too far out of balance. Rearmament, however, threatens to be a disturbing factor.

Notwithstanding some progress in the removal of import quotas, tariffs remain a real obstacle to increased intra-European trade; as yet no effective means of reducing them on a regional basis has been found. Regional cooperation, even if it could be achieved, might disappoint some of its American advocates. For unless the countries of Western Europe

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expert research, including full use of the files of the State Department and many unpublished diaries and memoranda of leading protagonists, it is highly successful in relating American policy to the world situation.

THE UNITED STATES IN WORLD AFFAIRS, 1951
by Richard P. Stebbins and the Research Staff

The latest volume in the Council's annual survey of American world relations is scheduled for publication in September 1952, with an introduction by Henry M. Wriston. Like previous volumes, it presents a balanced interpretation of developments throughout the world and is designed to provide orientation for the student and general reader as well as the precise factual data needed by the foreign affairs specialist. In the increasingly strenuous discussion of current foreign policy issues in the United States, the objectivity and fairness of these volumes has been widely remarked upon by reviewers both at home and abroad. A typical comment is that of the Italian weekly *Relazioni Internazionali* on the volumes for 1949 and 1950:

Among the numerous publications of the Council on Foreign Relations, the series entitled *The United States in World Affairs* merits particular appreciation. Even for the best qualified author it was certainly not easy to review so many events in sequence, illuminate their immediate or remote causes, and judge their implications. But the author, aided by the Research Staff of the Council on Foreign Relations, has met the test—thanks especially to the wise method he has adopted by which he refrains from treating all the facts with equal attention but has emphasized the more important ones with keen historical insight and absolute objectivity.

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show more willingness than they have yet displayed to accept changes in their national economies and increased dependence on other countries, their closer cooperation might result only in hindering them from getting maximum advantage from world trade.

THE CHALLENGE TO ISOLATION, 1937-1940
by William L. Langer and S. Everett Gleason

In 1946 the Council laid plans for a scholarly history of the participation of the United States in World War II. A substantial grant was obtained from the Rockefeller Foundation, later supplemented by the Sloan Foundation, and the project was put into the hands of Professor William L. Langer who obtained a four-year leave of absence from Harvard for this purpose. Professor S. Everett Gleason was associated with the project from the first and became joint author.

Originally it was planned to complete the history of American policy from 1939 to 1945 in three or four volumes. But because of the unanticipated magnitude of the materials, both published and unpublished, which became available, the authors found this achievement impossible. To date they have completed two volumes; the first, published in January 1952, covers the period from October 1937 to September 1940. A second volume will carry the narrative to Pearl Harbor.

The Challenge to Isolation is the most complete and authoritative account yet published of American diplomacy from President Roosevelt's "quarantine" speech to the destroyer deal which, in effect, ended American neutrality. The product of extensive and

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POLITICAL HANDBOOK OF THE WORLD, 1952
edited by Walter H. Mallory

In the silver anniversary edition of this authoritative and compact manual, three countries appear for the first time, Cambodia, Laos and Libya. In format and arrangement the volume follows the pattern which has proved so convenient for reference purposes. In addition to the information on political parties, leaders and platforms and the composition of governments and parliaments, the book contains short summaries of recent political events in most of the states catalogued.

Manuscripts in Preparation

The tense international situation, bringing constant pressure of demands for Dr. Mosely's time, from both public and private sources, has delayed the completion of his book on *The Power of the Soviet Union*. Meanwhile important new material has become available which will add greatly to the value of the publication, e.g., on the Soviet economy in the Arctic, on conflicts among Soviet governmental agencies and between military government in East Germany and authorities in Moscow, and on the economic exploitation of satellites.

Dr. Leland M. Goodrich has completed his manuscript on *Korea: A Study of American Policy in the United Nations*. Stimulus for this project was provided by a Council study group on which the author served as research secretary. Harpers has scheduled the book for winter publication.

Middle East Dilemmas is the title of a book which

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Dr. J. C. Hurewitz is writing. It is based on working papers which he prepared for a Council study group on American Policy in the Middle East.

Plans for 1952-53

The Council's Committee on Studies supervises the Council's program of research and publication. It decides, upon recommendation of the research staff, what study and discussion groups should be formed and approves the selection of chairmen.

In the coming year the studies of *Political Implications of Economic Development* and of *Anglo-American Relations* will be continued. *Japan's Position in World Trade* will be dealt with by a group under the leadership of August Maffry, Vice President of the Irving Trust Company. Dr. Jerome Cohen, of the Department of Economics at the College of the City of New York, will be associated with this group as research secretary. In addition, study groups will be organized to advise the three research fellows appointed under the terms of a grant from the Carnegie Corporation (See p. ●). The Committee on Studies has also approved a study of *The United States and World Air Transport* to be undertaken by Dr. Oliver J. Lissitzyn of Columbia University.

Discussion groups will be organized on *Political Unrest in Latin America* (Hon. Spruille Braden, chairman) and *India's Position in International Affairs* (Mr. Phillips Talbot, chairman). Other groups are under consideration.

PERCY W. BIDWELL.

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tute of Columbia University in his special field of interest, Mr. Landman pursued allied subjects having to do with the history and politics of the Far East. He also took courses in the Japanese language.

At the end of the fellowship year, Mr. Landman received his Master's degree in Public Law and Government. His thesis was entitled: "Some Implications of Trade (or Lack of Trade) between Japan and Communist China."

Before coming to the Council, Mr. Lehrman's two main areas, in which he had had extensive experience as a free-lance correspondent, were Eastern Europe and Palestine. Though he had written about these areas for some years, he reported that he felt handicapped by his lack of linguistic, cultural and historical background. The repairing of this deficiency was the object of Mr. Lehrman's studies as a Council Fellow. He applied himself to acquiring greater familiarity with Slavic and Semitic cultures, and he pursued an intensive reading program, with the assistance of experts in his special fields. He also undertook to acquire a reading and speaking knowledge of Russian and Hebrew. During the year, Mr. Lehrman began a dissertation on the Middle East, in partial fulfillment of the requirements for the degree of Ph.D. at Cornell University.

Mr. Palmer came to the Council from his post as Rome correspondent of the Associated Press. Prior to his assignment to Italy, he had served as a correspondent in the Middle East, and it was the latter area upon which he concentrated his efforts during the period of his fellowship. By the end of the year, Mr. Palmer

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FELLOWSHIPS FOR FOREIGN CORRESPONDENTS

During 1951-52, a grant of the Carnegie Corporation made possible the continuation, for the third successive year, of the Council's fellowship program for American foreign correspondents. Under this program, men of promise, who have been preoccupied with meeting journalistic deadlines, are given an opportunity to broaden their perspective by means of intensive reading, study and informal discussion. There are no set study requirements other than that holders of the fellowships shall utilize as they see fit the facilities of the Council and of nearby universities. The purpose of the program is to help correspondents to increase their competence to report and interpret events abroad.

Recipients of resident fellowships for the past year were Amos Landman, Hal Lehrman and George Palmer. They were chosen from a number of applicants by an advisory committee of Council members, which consisted of Carroll Binder, *Minneapolis Morning Tribune*; Gardner Cowles, *Look*; John K. Jessup, *Fortune*; and Edward R. Murrow, Columbia Broadcasting System. Joseph Barber, of the Council staff, was again designated to supervise their work and to serve as Secretary to the advisory committee.

Mr. Landman, who was formerly correspondent in China for the National Broadcasting Company, used his fellowship to prepare himself for work as a correspondent in Japan. To this end, he concentrated on study of the Japanese economy and of Japan's likely future economic relations with the rest of Asia. Besides enrolling for courses offered by the East Asian Insti-

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completed the requirements for his Master's degree in Public Law and Government, at Columbia University. The subject of his thesis was: "The Arab Attitude toward the Palestine Issue, 1945-1950." University courses taken by him included: The Making of Modern Iran, The Political, Economic and Social Institutions of Pakistan, Sociology of Israel, and The Diplomatic History of the Near East.

Besides their university work, the Fellows participated in various Council activities and made use of the Council Library. Messrs. Lehrman and Palmer were members of the Council's discussion groups on the Mediterranean and the Middle East. Mr. Landman led the discussion at a meeting of the Council's Seminar for Junior Executives, when the Far East was the subject of study. The three Fellows were, of course, regular attendants at late afternoon and dinner meetings of the Council.

In March, the Council brought together some forty editors and publishers to discuss at a dinner meeting the relation of American foreign correspondents to the shaping of American foreign policy. The Chairman of the meeting was Mr. C. D. Jackson, of *Fortune*, and the leader of the discussion was Mr. Joseph Harrison, Foreign Editor of *The Christian Science Monitor*. The resident Fellows also had places in the program and related their own experiences to issues under consideration, which included: the dimensions of the foreign story, problems of censorship of news at the source, and the number of correspondents and their capacities to provide adequate coverage of complex problems.

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The success of a fellowship program of this kind is dependent in large degree not only upon securing men of high calibre but also upon assisting them to make such use of their grants as to justify the interruption in their professional careers which is occasioned by the acceptance of fellowships. It is a source of satisfaction that this past year, as in the previous years, the holders of the fellowships embarked upon and completed work programs of ambitious proportions, and all have made abundantly clear their gratification with the results of their labors—a not inconsiderable conclusion in view of the unusually high expectations of useful study which were entertained by them when they began their work under the fellowship grants.

The Carnegie Corporation made a grant of \$15,000 for the support of the fellowship program for foreign correspondents in 1951-52, and has appropriated \$25,000 for the support of the program during the two-year period, 1952-54.

JOSEPH BARBER

MEETINGS

The following full membership meetings were held during the year:

Speaker: Hon. David K. E. Bruce
Subject: The Present Situation in France
Presiding: Hamilton Fish Armstrong
Speaker: Gen. Jean de Lattre de Tassigny
Subject: Indo-China
Presiding: Allen W. Dulles
Speaker: Hon. Philip C. Jessup
Subject: The Atlantic Community After Ottawa
Presiding: Allen W. Dulles

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Speaker: Robert L. Garner
Subject: The World Bank and the Iranian Oil Problem
Presiding: David Rockefeller
Speaker: Lt. Gen. Maxwell D. Taylor
Subject: United States Security Obligations and Capabilities
Presiding: Hon. Charles E. Saltzman
Speaker: H. E. Dirk U. Stikker
Subject: The Partnership Between the United States and Europe
Presiding: Hon. James Grafton Rogers
Speaker: Pierre Wigny
Subject: The Development of the Belgian Congo
Presiding: Stacy May

The following dinner meetings were held for off-the-record discussion of the subjects listed:

Speaker: Rt. Hon. Anthony Eden
Subject: Anglo-American Relations
Presiding: Hon. John W. Davis
Speaker: André Siegfried
Subject: France's Post-Election Political Situation
Presiding: Grayson L. Kirk
Speaker: Eugen Kogon
Subject: European Unity and German Unification
Presiding: Col. Lawrence Wilkinson
Speaker: Minoo R. Masani
Subject: Problems of Indian-U. S. Relations
Presiding: Hon. James Grafton Rogers
Speaker: Paul Mus
Subject: Indo-China and the Problems of Southeast Asia
Presiding: David Rockefeller
Speaker: Samuel Pope Brewer
Subject: Spain's Relations with the Western Democracies
Presiding: Hanson W. Baldwin
Speaker: Hon. Walter H. Judd
Subject: Problems and Prospects of European Unity
Presiding: Frank Altschul

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Speaker: Hon. Henry F. Grady
Subject: The Iranian Crisis
Presiding: Devereux C. Josephs
Speaker: Hon. John Foster Dulles
Subject: The Implications of the Japanese Peace Treaty
Presiding: R. C. Leffingwell
Speaker: Geoffrey Crowther
Subject: After the British Election
Presiding: Gardner Cowles
Speaker: Hon. Thomas F. Dewey
Subject: U. S. Far Eastern Policy
Presiding: R. C. Leffingwell
Speaker: Charles E. Bohlen
Subject: The Soviet Union and the World Situation
Presiding: Hamilton Fish Armstrong
Speaker: H. E. William Drees
Subject: The Netherlands' Foreign Policy
Presiding: R. C. Leffingwell
Speaker: William R. Herod
Subject: Problems of European Rearmament
Presiding: Langbourne M. Williams, Jr.
Speaker: Gordon Dean
Subject: International Aspects of Atomic Energy
Presiding: David E. Lilienthal
Speaker: H. K. Selim Bey
Subject: Egypt and Middle East Defense (first of a series of two meetings)
Presiding: George A. Brownell
Speaker: Brig. Gen. Cyril D. Quilliam
Subject: Egypt and Middle East Defense (second meeting of series)
Presiding: George A. Brownell
Speaker: Hon. Walter Hallstein
Subject: Principles of German Foreign Policy
Presiding: Hon. Myron C. Taylor

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Speaker: George N. Shuster
Subject: Can We Trust the Germans?
Presiding: Arthur H. Dean
Speaker: H. E. Jaime Torres Bodet
Subject: UNESCO and Fundamental Education
Presiding: Grayson L. Kirk
Speaker: Paul Bareau
Subject: The New Economic Policy in Britain
Presiding: Thomas H. McKittrick
Speaker: Arthur L. Goodhart
Subject: Some Oxford Interpretations of American Foreign Policy
Presiding: James T. Shotwell
Speaker: Joseph Harrison
Subject: The Role of American Foreign Correspondents in Shaping U. S. Foreign Policy
Presiding: C. D. Jackson
Speaker: André Géraud ("Pertinax")
Subject: Interaction of Foreign and Domestic Policy in France
Presiding: Lindsay Rogers
Speaker: Robert Montagne
Subject: The Future of the Arab World
Presiding: Herbert Feis
Speaker: Chester Wilmot
Subject: The Impact of American Policy in Europe
Presiding: George N. Shuster
Speaker: Hon. Charles M. Spofford
Subject: NATO and United States Responsibilities
Presiding: Gen. Lucius D. Clay

FOREIGN RELATIONS COMMITTEES

When the small meeting room at the Council on Foreign Relations is crowded to capacity, place can be made for twenty-six persons around the cloth-covered table. To illustrate the dimensions of one

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aspect of the Committee program this past year, had the meetings of the Committees been held in this room rather than in home communities, the room would have been crowded to capacity five nights a week from late September to early June.

During the year under review, the twenty-five Committees held 191 meetings. This was twenty-one more than were held the preceding year and represents a new peak in Committee activity. No Committee held less than six meetings and two held ten meetings. The Council helped to arrange 132 of these meetings; the Committees arranged fifty-nine without Council assistance. For the groups as a whole, average attendance at each meeting was twenty-six persons. The total Committee membership at the end of the year was 1,419, compared with 1,341 the preceding year.

Ninety men of special competence in the field of international affairs led Committee discussions. Among them were the following members of the Council: Eugene R. Black, Gardner Cowles, William R. Herod, Joseph E. Johnson, Isador Lubin, James Grafton Rogers, Phillips Talbot and Albert C. F. Westphal. Other Americans who met with the groups included: Charles E. Bohlen, Frederick Burkhardt, John Sherman Cooper, Joseph M. Dodge, Marriner S. Eccles, Mark Ethridge, Harold H. Fisher, Henry F. Grady, Eugene Holman and Abe A. Ribicoff.

Among the many foreign discussion leaders were: Paul Bareaud, Assistant Editor, *The Economist*, London; Sir Oliver Franks, British Ambassador at Washington; Khalifa Abdul Hakim, Director, Institute of Islamic Culture, Lahore; Mosfeq Hamadani, Editor

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tial way, without excessive cost to the American taxpayer.

Reports of Committee discussions, forwarded regularly to the Council, disclosed very great preoccupation with the size and effectiveness of the American aid program. So diverse were the apparent views of members, as reflected in the reports, and so important was the subject that the Council undertook to find out exactly where Committee members stood on issues related to the aid program. A questionnaire addressed to all Committee members was accordingly drawn up and distributed. Nearly 800 members set forth their views, often in great detail, in response to the twelve questions asked. Their replies were analyzed by the Council which reported its findings in the pamphlet, *Foreign Aid and the National Interest*, published in March, 1952. This was the sixth in a series of annual pamphlets describing Committee views, and it elicited the largest numerical participation of any of the inquiries. As usual, the Council's findings were widely publicized in this country and abroad, and the nature of public and private comment about the inquiry testified to its usefulness.

For the theme of the fourteenth annual conference of representatives of the Committees, the Council selected *United States Intervention in the Internal Affairs of Free Nations*. This had been a subject of recurring interest and concern at Committee meetings during the year, and made possible further exploration of issues of American leadership, which had been discussed at the previous conference. On June 6, some thirty-five Committee members and guests, represent-

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and Publisher, *Kavian*, Teheran; Alexander Loudon, Secretary General, Permanent Court of Arbitration, the Hague; Minoo R. Masani, Director, Industrial Relations, Tata Industries, Ltd., India; Honorable Leslie Knox Monro, New Zealand Ambassador at Washington; J. W. Patten, Assistant Editor, *The Star*, Johannesburg; Hussein Bey Kamel Selim, formerly Dean Faculty of Commerce, Fuad I University, Cairo; Jean Jacques Servan-Schreiber, foreign affairs analyst, *Paris Presse*; R. U. Singh, member, Indian Parliament; Dolf Sternberger, Lecturer, University of Heidelberg and Editor, *Die Wandlung*; Lord Wilmut, formerly Labor member of Parliament and British Minister of Supply.

Committee discussions dealt with a wide variety of problems affecting American political, economic and strategic interests. As was the case the previous year, members were bent on acquiring a better understanding of the measures necessary to promote the security of the non-Soviet world. In this connection, many discussions centered upon the obligations of the United States as leader of the free world and upon American capacities to insure security. Special attention was paid to the Middle East where, it was generally felt, the United States was bound to become increasingly involved. Members took it upon themselves to become informed about the efforts of the United States to assist backward areas. The prospect for greater participation by the United States in the development of underdeveloped countries was discussed at length, a great many members concluding that here was a relatively unexplored means of promoting stability in a substan-

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ing cities throughout the country, gathered at the Harold Pratt House to consider questions such as these: What justifies U. S. intervention? Are current attempts to influence the internal affairs of the free nations paying off, in terms of the advancement of U. S. interests? Are there practical alternatives to intervention by the United States, which would increase the effective use of American aid? Have we, in effect, scrapped non-intervention as a principle of American foreign policy?

In order to provide expert testimony at the daytime sessions on June 6, certain Council members were asked to participate. They included, as Chairmen, Percy W. Bidwell and Joseph E. Johnson, and as discussion leaders, Honorable Spruille Braden, William Diebold, Jr., and Heman Greenwood. Other guests who assisted with the discussion were Maurice Ferro, Washington correspondent, *Le Monde*, Paris; Jay Lovestone, Executive Secretary, Free Trade Union Committee, American Federation of Labor; Professor Dexter Perkins, Chairman, Department of History, University of Rochester; and Judd Polk, Chief, British Commonwealth and Middle East Division, Treasury Department.

At the dinner session of the conference, the Committee representatives were joined by some forty Council members for joint discussion of NATO and United States Responsibilities. The guest of the evening was Honorable Charles M. Spofford, who until recently had been United States Representative and Chairman, North Atlantic Council of Deputies. General Lucius D. Clay presided.

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The chairmanship of the fourth and concluding session of the conference, on June 7, was shared by Joseph Barber, the Council's administrator of the Committee project, and H. F. Kretchman, Editor, *Salt Lake Telegram* and Secretary of the Salt Lake Committee. The year's work was reviewed, plans were made for 1952-53, and the conclusions of the group with respect to the conference theme were summarized and placed on record.

Since establishment of the first Committees in 1938-39, the Council has taken special pains each year to keep itself informed of the progress of the groups and of the exact nature of purely local problems, which vary from one community to another. To this end, the administrator of the project spent five weeks with Committee members in 1951-52, visiting twenty of the twenty-five cities in which the groups are located. The fostering in this way of a closer relationship between the Council and the Committees has been mutually beneficial, contributing to improved guidance by the Council and to gratifying expansion of Committee activity.

The Carnegie Corporation made a grant of \$30,000 for the support of the Committees in 1951-52, and has appropriated \$90,000 for their support during the three-year period, 1952-55. The grant of \$30,000 for each of the three years ahead continues Carnegie support at the level obtaining since 1948.

The Committees, since their founding in 1938, have raised a continually increasing proportion of the expenses of the project and in recent years, in fact, the funds they have assembled for local expenses have

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the gap between the learned journals and specialists in foreign studies on the one hand and the general public and its policy makers on the other. The governing policy was indicated in the following editorial note which appeared in the first issue, and has been reprinted in all subsequent issues:

The articles in *FOREIGN AFFAIRS* do not represent any consensus of beliefs. We do not expect that readers of the review will sympathize with all the sentiments they find there, for some of our writers will flatly disagree with others; but we hold that while keeping clear of mere vagaries *FOREIGN AFFAIRS* can do more to guide American public opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school. It does not accept responsibility for the views expressed in any articles, signed or unsigned, which appear in its pages. What it does accept is the responsibility for giving them a chance to appear there.

The members of the Editorial Advisory Board assist the Editor and the Managing Editor with advice both on general policy and on special problems. In addition, they insure that the editors will enjoy complete freedom in the exercise of their editorial functions. Needless to say, they are not individually responsible in any sense for particular articles appearing in the review. The members of the Board at present are: George H. Blakeslee, John W. Davis, Allen W. Dulles, Dwight D. Eisenhower, George F. Kennan, William L. Langer, Charles H. McIlwain, Charles Seymour, Henry M. Wriston. Mr. Davis and Professor Blakeslee have been members since the start.

In the year just ended, *FOREIGN AFFAIRS* has printed the usual quota of articles covering a broad variety of topics in its special field. A number of them seem to have attracted wide notice, judging by press comment,

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slightly exceeded the Carnegie grants. In response to a suggestion by the Council they have now agreed somewhat further to increase their contributions toward the cost of the Committee program for 1952-53. Committee activities, however, are now of such dimension that additional funds must be forthcoming, if this important phase of the Council's work is to be maintained at the present level. The organization of new Committees and expansion otherwise of the scope of the program—an objective successfully pursued each year since the establishment of the first Committees in 1938—does not seem feasible at present, without the acquisition of substantial additional funds.

JOSEPH BARBER

FOREIGN AFFAIRS

FOREIGN AFFAIRS, the Council's first important venture, reached its 30th birthday with the issue for October 1952. In those thirty years it has published 120 issues, each containing something like a dozen articles, or a total of about 1,500 articles in all—this in addition to the regular departments listing new books and official documents at present being prepared by Professor Henry L. Roberts, of Columbia University, and Miss Ruth Savord, Librarian of the Council. Mr. Byron Dexter continues as Managing Editor and Miss Mary H. Stevens as Editorial Assistant. From the start, the business affairs of *FOREIGN AFFAIRS* have been in the hands of Mr. Frank D. Caruthers, Jr. He is now assisted by Mr. Patrick Tanner, 3rd.

The editors of *FOREIGN AFFAIRS* have always considered it a principal purpose of the review to bridge

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request for reprints and requests from newspapers and other periodicals, here and abroad, for permission to quote from or reprint the text. As usual, many of the articles were used by government agencies and formed the basis of broadcasts by "The Voice of America."

FOREIGN AFFAIRS is maintaining about the same circulation that it has had in recent years. The following table is based on the average paid circulation for six months ending July 30 of each year.

1949 —	19,497
1950 —	19,110
1951 —	19,021
1952 —	19,058

It will be noted that although the subscription price was raised from \$5.00 to \$6.00 a year, beginning with the issue of April 1950, this fact does not seem to have affected the willingness or ability of people to subscribe (although, of course, there is no way of telling whether circulation might not have actually increased if there had been no increase in price).

HAMILTON FISH ARMSTRONG

MEMBERSHIP

The Board of Directors during the past year continued its policy of limiting the number of resident members to 600. In view of the resulting tightness in the membership situation and the necessity of assuring that the Council accept only the most desirable candidates, the Board voted to enlarge the Membership Committee, so that it could give an even more careful screening to candidates. The Committee now consists of Messrs. David Rockefeller, Chairman, Frank

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Altschul, August Heckscher, Joseph E. Johnson, Devereux C. Josephs, Warren T. Lindquist, Walter H. Mallory, Oscar M. Ruebhausen and George S. Franklin, Jr., Secretary. At the same time the Board relieved the Membership Committee of the task of nominating officers and members of the Board and entrusted it to a new Nominating Committee, composed of Messrs. John W. Davis, Chairman, Hamilton Fish Armstrong, and Whitney H. Shepardson.

The new Membership Committee has held two meetings to re-examine criteria for membership in the Council and to decide what types of members the Council particularly needs at the present time.

The membership situation compared with last year is as follows:

Membership Classification	Aug. 1 1951	Aug. 1 1952	Gain or Loss
Resident	420	420	—
Resident Academic	164	167	+3
Junior	13	9	-4
Non-Resident	160	160	—
Non-Resident Academic	170	177	+7
	927	933	+6

LIBRARY

During the past year, the Library and the Research Staff reviewed carefully the present function of the Library and investigated means of adding to its usefulness. It was agreed to continue the policy of not attempting complete coverage of all phases of international relations, but, as in the past, to limit the Library in size as much as possible consistent with

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tions, the National Committee for a Free Europe, the Mid-European Studies Center, and the New York Office of the Public Administration Clearing House. All of these organizations have commented on the fact that the Council Library contains materials which are frequently inaccessible or unavailable elsewhere.

The Library has continued its practice of sending duplicates from the Council's collection to other organizations which can make use of them. For example, 576 volumes, 120 pamphlets, and 1,500 periodicals were sent to the New York Public Library for distribution to devastated libraries abroad. The Library has also continued its exchange program; Council publications have been sent to 33 different foreign institutes of international affairs in exchange for publications issued by those organizations. Other cooperative activities in which the Library participated during the year include completion of a list of selected American books on international affairs for Munich's newly organized *Hochschule für Politische Wissenschaften* (at the request of the Rockefeller Foundation), and the securing of numerous articles and photostats which were urgently needed by the Royal Institute of International Affairs. The Council, for its part, is deeply appreciative of the many gifts provided by Congressional Committee Chairmen, by other United States and foreign government representatives, by public and private organizations, and particularly by members of the Council and other individuals who have kept our needs in mind and generously helped to meet them.

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the basic objective of good service to the Council's research staff, members and other users.

It was recognized that the carefully indexed clipping files of the Council, which include material from both newspapers and periodicals and are constantly consulted by the research staff and others using the Library, constitute an invaluable research tool, unduplicated in this country in the field of international relations. It was agreed that, when possible, these files should be re-indexed, weeded of all material no longer of interest, and micro-filmed for future preservation.

The Library now includes:	Total	Added 1951-52
Books, Pamphlets, Government Documents	28,640	1,530
League of Nations Documents	800v.	—
UN Documents	40,533	7,805
UNESCO Documents	2,710	491
I.R.O. Documents	870	102
Permanent Court and International Court	219	23
Far Eastern Commission	736	66
Clippings		27,000

This year a particular effort has been made to increase our materials on Germany, and we have added considerably to our resources in this field both in periodical, documentary, and secondary material.

In addition to the day-to-day service it provides for the Council's Research Staff, the Library continues to serve Council members, the UN Library, UN Delegations, the Department of State, graduate students sent by our members, and many other organizations, libraries and individuals. The heaviest and most constant demands have been made by the UN Delegation

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FINANCIAL

General Account and Research Department

The Council has had an unsatisfactory year financially. The combined deficit in the general and research accounts amount to ~~\$35,424~~ ^{\$38,323}, all but \$2,474 of it in the research account. For this, the only substantial deficit the Council has ever had, there were two principal reasons. First, the Board of Directors at its meeting of December 17, 1951, voted a 10 per cent cost of living salary increase for members of the staff who had been on the pay-roll for six months. Second, the Rockefeller Foundation, in line with its policy of discontinuing support for the general budgets of organizations which it has helped for some years, did not renew the grant of \$45,000 which it made the previous year for the Council's general research program.

However, as in the past the foundation did continue to support a number of special Council projects. It appropriated \$18,500 for the Council's study of the Political Implications of Economic Development, \$3,500 for a study of the Problems of German Unity, and \$4,000 for a critical bibliography of the works noted in FOREIGN AFFAIRS during the ten years 1942 to 1952.

The general research program of the Council was supported by contributors of \$35,000 from the Carnegie Corporation, \$32,787 from members and corporations, \$7,660 income from investments and by a special gift of \$17,030.86 in memory of Mr. Edwin F. Gay, who was a director of the Council from 1921

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to 1945, and its treasurer from 1921 to 1933. He was also the first chairman of the Council's research committee and, as such, largely responsible for the initiation of its program of research and publication. After his death in 1946, his friends raised a fund for the purpose of commissioning his biography. This memoir, entitled *Scholar in Action: Edwin F. Gay*, was written by Harold Heaton and published this year by Harvard University Press.

The remainder of the fund, left over after the book's publication, was divided between the Committee on Research in Economic History, Inc. and the Council \$17,030.86 being the Council share.

In addition to its contribution to the general research program of the Council, the Carnegie Corporation appropriated \$3,000 to cover the expenses of the Committee on Policy, and \$30,000 for the Committees on Foreign Relations. For the year 1952-53, it has granted the same amount for the Committees on Foreign Relations and \$25,000 for the three new research fellowships. The Sloan Foundation made a grant of \$10,000 to finance the preparation of the second volume of Mr. Diebold's study of European economic cooperation.

The Committee on Policy has given detailed attention to the Council's financial affairs and will recommend steps not only to bridge the current gap between receipts and expenditures, but also to make possible a moderate expansion as well as some reorientation of Council activities.

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dent of the Council and Chairman of the Study Group on Anglo-American Relations, and Professor Henry L. Roberts, the group's Research Secretary, attended meetings of Chatham House's Study Group on the same subject, which, together with our own group, is working toward a joint report on Anglo-American relations. On November 13th, Dr. Wriston addressed a full membership meeting at Chatham House on "The Fabric of American Opinion on Foreign Affairs."

During the year, the Council group had the pleasure of meeting here with two members of the British group, Admiral Sir Henry Moore, Chairman, and Professor Arnold Toynbee.

In November, 1951, at the invitation of the Canadian Institute of International Affairs, Mr. William Diebold, Jr. visited five of their branches. At each meeting he spoke on one of two topics, "The Implications of the Schuman Plan" or "Rearmament and U. S. Economic Policy."

Other visitors to the Council this past year included Sir Clement Jones, Chairman of the Council of Chatham House, Mr. Ivison S. Macadam, its Director General, Mr. M. S. Rajan, Administrative Secretary of the Indian Council of World Affairs, and Mr. John Goormaghtigh, Director of the Paris office of the Carnegie Endowment for International Peace, who spoke here May 13th, on "European attitudes toward the United States."

On July 2nd, the Council arranged a meeting for a group of twelve German foreign service officers

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Foreign Affairs

Various steps taken in the preceding fiscal year to improve the financial position of FOREIGN AFFAIRS have been continued in force in the fiscal year ending July 31, 1952. In addition to an increase in the subscription price from \$5.00 to \$6.00, substantial economies were effected in binding and production. However, heavy increases in printing costs again came into effect, and, in addition, the Board of Directors instituted a general increase in Council salaries in order to keep pace in part with increases which had taken place in the costs of living. Once again, then, there was a deficit in the financial operations of FOREIGN AFFAIRS. Though it was not large, the fact that there was any deficit at all was a source of concern and regret to the management. In view of continually mounting printing and other costs, there seems no prospect that the review can be placed on a permanently stable financial basis until a capital sum has been raised for the purpose. Meanwhile, FOREIGN AFFAIRS must rely on the generosity of a few interested members to meet deficits when these occur. The last fiscal year in which operations showed a profit was 1944-45; circulation then was only 17,179, compared with 19,058 today, but costs then were very much lower. Last year, the contributors who generously made up the FOREIGN AFFAIRS deficit were: Frank Altschul, Percival F. Brundage, R. C. Lefingwell, George O. May, David Rockefeller, and John Hay Whitney.

CONTACTS WITH FOREIGN INSTITUTIONS

In November, 1951, Dr. Henry M. Wriston, Presi-

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who had spent four months studying and traveling in the United States. They asked us about various aspects of U. S. foreign and domestic policy, and we in turn questioned them about Germany.

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Finally, this report would not be complete without a word of thanks to those whose help has played such a large part in ensuring the success of the Council this past year. The keen interest which so many members take in the Council's work is probably its greatest single asset; without their active and thoughtful participation, our type of study program would, of course, be impossible.

We wish to give particular thanks at this time to those members who have served as chairmen and secretaries of the Council's study and discussion groups, every one of whom has worked hard to make his group a success. We also wish to express our special thanks to the Council's officers and directors. Their concern for the Council's progress and the guidance they have given through the Standing Committees and in many other ways have greatly contributed to our successful season.

Respectfully submitted,

GEORGE S. FRANKLIN, JR.
Acting Executive Director

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